

Message Text

PAGE 01 STATE 062978
ORIGIN EB-08

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FM SECSTATE WASHDC
TO AMEMBASSY KINSHASHA
INFO AMEMBASSY PARIS

UNCLAS STATE 062978

E.O. 11652: N/A

TAGS:EFIN

SUBJECT:ZAIRE DEBT RESCHEDULING; BILATERAL DEBT AGREEMENT
FOR ZAIRE - 1977

1. FOLLOWING IS REVISED DRAFT OF THE 1977 BILATERAL DEBT
AGREEMENT WITH ZAIRE. EMBASSY REQUESTED TO PRESENT
COPIES TO APPROPRIATE GOZ OFFICIALS. DEPARTMENT WILL
TRANSMIT BY POUCH TRANSLATION OF AGREEMENT AS SOON AS
AVAILABLE.

2. TEXT. AGREEMENT BETWEEN THE UNITED STATES OF AMERICA
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AND THE REPUBLIC OF ZAIRE REGARDING THE CONSOLIDATION AND
RESCHEDULING OF CERTAIN DEBTS OWED TO, GUARANTEED OR
INSURED BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

THE UNITED STATES OF AMERICA (THE "UNITED STATES") AND THE
REPUBLIC OF ZAIRE ("ZAIRE") AGREE AS FOLLOWS:

ARTICLE I

APPLICATION OF THE AGREEMENT

1. IN ACCORDANCE WITH THE PROVISIONS OF THE UNDERSTANDING REACHED ON JULY 7, 1977 (THE "UNDERSTANDING"), AS AMENDED

ON DECEMBER 1, AMONG REPRESENTATIVES OF CERTAIN NATIONS, INCLUDING THE UNITED STATES, AND AGREED TO BY ZAIRE, THE UNITED STATES AND ZAIRE HEREBY AGREE TO CONSOLIDATE AND RESCHEDULE CERTAIN ZAIRIAN DEBTS WHICH ARE OWED TO, GUARANTEED BY OR INSURED BY THE UNITED STATES OR ITS AGENCIES, AS PROVIDED FOR IN THIS AGREEMENT.

2. THIS AGREEMENT SHALL BE IMPLEMENTED BY SEPARATE AGREEMENTS (THE "IMPLEMENTING AGREEMENTS") BETWEEN ZAIRE AND THE UNITED STATES WITH RESPECT TO P.L. 480 AGREEMENTS, AND BETWEEN ZAIRE AND EACH OF THE FOLLOWING UNITED STATES AGENCIES: THE AGENCY FOR INTERNATIONAL DEVELOPMENT, THE EXPORT-IMPORT BANK OF THE UNITED STATES, THE DEPARTMENT OF DEFENSE, AND THE COMMODITY CREDIT CORPORATION.

ARTICLE II

DEFINITIONS

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1. "ORIGINAL AGREEMENTS" MEANS THOSE AGREEMENTS LISTED IN ANNEX A.

2. "CONSOLIDATED DEBT" MEANS EIGHTY-FIVE PERCENT OF THE SUM OF DOLLAR PRINCIPAL AND INTEREST PAYMENTS DUE FROM JANUARY 1, 1977 THROUGH DECEMBER 31, 1977, AND REMAINING UNPAID ON DECEMBER 1, 1977, ON DEBT CONTRACTED PRIOR TO JANUARY 1, 1976 IN ACCORDANCE WITH THE RESPECTIVE TERMS OF EACH OF THE ORIGINAL AGREEMENTS.

3. "NON-CONSOLIDATED DEBT" MEANS FIFTEEN PERCENT OF THE SUM OF DOLLAR PRINCIPAL AND INTEREST PAYMENTS DUE FROM JANUARY 1, 1977 THROUGH DECEMBER 31, 1977, AND REMAINING UNPAID ON DECEMBER 1, 1977, ON DEBT CONTRACTED PRIOR TO JANUARY 1, 1976 IN ACCORDANCE WITH THE RESPECTIVE TERMS OF EACH OF THE ORIGINAL AGREEMENTS.

4. "CONSOLIDATION PERIOD" MEANS THE PERIOD FROM JANUARY 1, 1977 THROUGH DECEMBER 31, 1977.

5. "CONSOLIDATED INTEREST" MEANS INTEREST ON THE CONSOLIDATED DEBT. "NON-CONSOLIDATED INTEREST" MEANS INTEREST ON THE NON-CONSOLIDATED DEBT. CONSOLIDATED INTEREST AND NON-CONSOLIDATED INTEREST SHALL BEGIN TO ACCRUE ON THE RESPECTIVE DUE DATES SPECIFIED IN EACH OF THE ORIGINAL AGREEMENTS FOR EACH PAYMENT OF PRINCIPAL OR INTEREST WHICH IS PART OF THE CONSOLIDATED DEBT OR THE

NON-CONSOLIDATED DEBT, AND SHALL CONTINUE TO ACCRUE UNTIL THE CONSOLIDATED DEBT OR THE NON-CONSOLIDATED DEBT, AS THE

CASE MAY BE, IS REPAYED IN FULL.

6. "AGENCY" MEANS AN AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

ARTICLE III
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TERMS AND CONDITIONS OF PAYMENT

1. ZAIRE AGREES TO REPAY THE CONSOLIDATED DEBT IN UNITED STATES DOLLARS IN ACCORDANCE WITH THE FOLLOWING TERMS AND CONDITIONS:

(A) THE CONSOLIDATED DEBT AMOUNTING TO 48.5 MILLION DOLLARS SHALL BE REPAYED IN TWELVE EQUAL SEMI-ANNUAL INSTALLMENTS, COMMENCING ON JANUARY 1, 1981, WITH THE FINAL INSTALLMENT PAYABLE ON JULY 1, 1986.

(B) THE CONSOLIDATED INTEREST RATE SHALL BE AT 3.5 PERCENT PER CALENDAR YEAR ON THE OUTSTANDING BALANCE OF THE CONSOLIDATED DEBT DUE TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TO THE UNITED STATES WITH RESPECT TO P.L. 480 AGREEMENTS, AND 8.125 PERCENT PER CALENDAR YEAR ON THE OUTSTANDING BALANCE OF THE CONSOLIDATED DEBT DUE TO, GUARANTEED BY, OR INSURED BY THE EXPORT-IMPORT BANK OF THE UNITED STATES, THE DEPARTMENT OF DEFENSE, AND THE COMMODITY CREDIT CORPORATION. ALL INTEREST SHALL BE PAYABLE SEMI-ANNUALLY ON JANUARY 1 AND JULY 1 OF EACH YEAR COMMENCING ON JULY 1, 1978 UNLESS OTHERWISE SPECIFIED IN THE RESPECTIVE IMPLEMENTING AGREEMENTS.

(C) A TABLE SUMMARIZING THE AMOUNTS OF THE CONSOLIDATED DEBT OWED TO THE UNITED STATES AND EACH AGENCY IS ATTACHED HERETO AS ANNEX B.

2. ZAIRE AGREES TO REPAY THE NON-CONSOLIDATED DEBT IN ACCORDANCE WITH THE FOLLOWING TERMS AND CONDITIONS:

(A) THE NON-CONSOLIDATED DEBT AMOUNTING TO 4.5 MILLION
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DOLLARS SHALL BE REPAYED IN THREE EQUAL ANNUAL INSTALLMENTS, OF \$2.3MILLION TO BE PAID ON JANUARY 1, 1978, AND JANUARY 1, 1979, AND JANUARY 1, 1980.

(B) THE WEIGHTED AVERAGE OF THE NON-CONSOLIDATED INTEREST

RATE SHALL BE 3.5 PERCENT PER CALENDAR YEAR ON THE OUT-
STANDING BALANCE OF THE NON-CONSOLIDATED DEBT DUE TO THE
AGENCY FOR INTERNATIONAL DEVELOPMENT AND TO THE UNITED
STATES WITH RESPECT TO P.L. 480 AGREEMENTS, AND 8.125

PERCENT PER CALENDAR YEAR ON THE BALANCE OF THE NON-CONSO-
LIDATED DEBT DUE TO, GUARANTEED BY, OR INSURED BY THE
EXPORT-IMPORT BANK OF THE UNITED STATES, AND DEPARTMENT OF
DEFENSE, AND THE COMMODITY CREDIT CORPORATION. ALL INTER-
EST DUE SHALL BE PAYABLE SEMI-ANNUALLY ON JANUARY 1 AND
JULY 1 OF EACH YEAR COMMENCING ON JULY 1, 1978 UNLESS
OTHERWISE SPECIFIED IN THE RESPECTIVE IMPLEMENTING AGREE-
MENTS.

(C) A TABLE SUMMARIZING THE AMOUNTS OF NON-CONSOLIDATED
DEBT OWED TO THE GOVERNMENT OF THE UNITED STATES AND EACH
AGENCY IS ATTACHED HERETO AS ANNEX C.

3. ZAIRE AGREES TO FULLY DISCHARGE PAYMENT OF ITS
OBLIGATIONS, INCLUDING PAYMENT OF ARREARAGES, WITH REGARD
TO THIS UNDERSTANDING, THE AGREED MULTILATERAL UNDER-
STANDING OF JUNE 16, 1976, AND THE AGREEMENT BETWEEN THE
UNITED STATES AND THE GOVERNMENT OF ZAIRE DATED JULY 1977.

4. IT IS UNDERSTOOD THAT ADJUSTMENTS MAY BE MADE IN THE
AMOUNTS SPECIFIED IN PARAGRAPHS 1 AND 2 OF THIS ARTICLE BY
THE IMPLEMENTING AGREEMENTS.

ARTICLE IV

GENERAL PROVISIONS
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1. ZAIRE AGREES TO GRANT THE UNITED STATES AND ITS
AGENCIES, AND ANY OTHER CREDITOR WHICH IS PARTY TO AN
ORIGINAL AGREEMENT, TREATMENT AND TERMS NO LESS FAVORABLE
THAN THAT WHICH MAY BE ACCORDED TO ANY OTHER CREDITOR
COUNTRY FOR THE CONSOLIDATION OF DEBTS COVERED BY THE
UNDERSTANDING.

2. EXCEPT AS THEY MAY BE MODIFIED BY THIS AGREEMENT OR
SUBSEQUENT IMPLEMENTING AGREEMENTS, ALL TERMS OF THE
ORIGINAL AGREEMENTS REMAIN UNCHANGED.

3. ZAIRE HAS ALREADY MADE PAYMENTS ON THE CONSOLIDATED
AND NON-CONSOLIDATED DEBT DUE TO COMMODITY CREDIT
CORPORATION FROM JANUARY 1, 1977 THROUGH DECEMBER 31, 1977,
AND INCLUDED IN THIS AGREEMENT. THE U.S. AGREES THAT THOSE
PAYMENTS WILL BE CREDITED TO FUTURE PAYMENTS OWED BY THE
GOVERNMENT OF ZAIRE TO COMMODITY CREDIT CORPORATION.
INTEREST CREDIT SHALL BEGIN AS OF THE FIRST DAY AFTER THE
RECEIPT OF THESE PAYMENTS BY COMMODITY CREDIT CORPORATION.

4. THE AGENCY FOR INTERNATIONAL DEVELOPMENT WILL CONFINE
THE RESCHEDULING OF ITS DEBT TO THE FIVE DIRECT LOANS

LISTED IN ANNEX A, PROVIDED THAT THE AMOUNTS RESCHEDULED
BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT SHALL BE
EQUIVALENT TO THE AMOUNT DUE TO BE RESCHEDULED AS SET
FORTH IN THIS AGREEMENT. ZAIRE AGREES TO PAY ALL
ARREARAGES AND FUTURE SUMS, AS AND WHEN DUE, ON LOAN
HG-001 WHICH WILL NOT BE RESCHEDULED BY THE AGENCY FOR
INTERNATIONAL DEVELOPMENT.

ARTICLE V
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ENTRY INTO FORCE

THIS AGREEMENT SHALL ENTER INTO FORCE UPON RECEIPT BY
ZAIRE OF WRITTEN NOTICE THAT DOMESTIC UNITED STATES LAWS
AND REGULATIONS COVERING DEBT RESCHEDULING CONCERNING
THIS AGREEMENT HAVE BEEN COMPLIED WITH.

DONE AT WASHINGTON, IN DUPLICATE, THIS DAY OF 1978,
IN THE ENGLISH AND FRENCH LANGUAGES, EACH TEXT BEING
EQUALLY AUTHENTIC.

ANNEX A

LOAN AGREEMENTS SUBJECT TO RESCHEDULING

EXPORT-IMPORT BANK

FINANCIAL GUARANTEES DIRECT CREDITS

NO.	NO.
G-2608	--
G-2940	2939
--	2958
G-3186	3185
--	3213
G-4049	4048
G-4401	4400
G-4540,4601	4539
G-4586	4585
G-4685,4686	4684
G-4734	4733

MEDIUM-TERM FCIA INCURANCE POLICY

MT-10016
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MEDIUM-TERM COMMERCIAL BANK GUARANTEES

G-206-2/B6-9390

G-47-411/B6-9365

COOPERATIVE FINANCING FACILITY

CREDIT 11260

CREDIT 11520

CREDIT 12583

P.L. 480

AGREEMENTS DATED:

OCTOBER 3, 1966

MARCH 15, 1967

DECEMBER 11, 1967

MAY 14, 1969

OCTOBER 21, 1969

OCTOBER 7, 1971

AUGUST 12, 1968

COMMODITY CREDIT CORPORATION

GSM NUMBERS

12018

13343

13415

13428

13444

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DEPARTMENT OF DEFENSE

DIRECT LOANS

721

741

751

761

GUARANTY

711

731

AGENCY FOR INTERNATIONAL DEVELOPMENT

DIRECT LOANS

K-002
K-003
K-006
K-009
H-012

GUARANTY

HG-001

ANNEX B

SUMMARY OF CONSOLIDATED DEBT#

(MILLIONS OF DOLLARS)

EXPORT-IMPORT BANK	30.6
P.L. 480	2.0
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COMMODITY CREDIT CORPORATION	3.4
DEPARTMENT OF DEFENSE	7.6
AGENCY FOR INTERNATIONAL DEVELOPMENT	4.9
TOTAL	48.5

#DATA ARE ROUNDED AND SUBJECT TO REVISION PER
ARTICLE III, PARAGRAPH 4.

ANNEX C

SUMMARY OF NON-CONSOLIDATED DEBT
(MILLIONS OF DOLLARS)

EXPORT-IMPORT BANK	5.4
P.L. 480	.4
COMMODITY CREDIT CORPORATION	.6
DEPARTMENT OF DEFENSE	1.3
AGENCY FOR INTERNATIONAL DEVELOPMENT	.8
TOTAL	8.5

#DATA ARE ROUNDED AND SUBJECT TO REVISION PER
ARTICLE III, PARAGRAPH 4.

ATTACHMENT FOR EMBASSY INFORMATION

1977 DEBT SERVICE TO BE RESCHEDULED
(MILLIONS OF DOLLARS)

	PRINCIPAL	INTEREST	TOTAL
P.L. 480	1.8	0.6	2.4

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CCC	3.2	0.8	4.0
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AID	2.5	3.2	5.7
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DOD	6.8	2.1	8.9
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EXIM	13.4	22.6	36.0
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TOTAL	27.7	29.3	59.0 VANCE
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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: DEBT AGREEMENTS, GOVERNMENT DEBTS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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Film Number: D780110-0978
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
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Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3166104
Secure: OPEN
Status: NATIVE
Subject: ZAIRE DEBT RESCHEDULING; BILATERAL DEBT AGREEMENT FOR ZAIRE - 1977
TAGS: EFIN, CG, US
To: KINSHASHA INFO PARIS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b2695ebb-c288-dd11-92da-001cc4696bcc
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